

223—48.8(303,404A) Sequencing of applications for review.

48.8(1) *Order of review.* The SHPO anticipates the receipt of a large number of applications for historic tax credits for projects with qualified rehabilitation costs in excess of \$500,000 at the beginning of each state fiscal year. At the start of each state fiscal year, the SHPO will utilize a project review sequencing system to establish the order in which applications will be reviewed. Applications for projects with qualified rehabilitation costs under \$500,000 making application for credits from the small project funding queue will be accepted and reviewed throughout the calendar year until all available credits from that funding queue are reserved. When all available credits are reserved from the small project funding queue, subsequent applications will be accepted utilizing the procedures in subrules 48.8(1) to 48.8(6) for projects with qualified rehabilitation costs in excess of \$500,000.

48.8(2) *Filing window.* Projects with qualified rehabilitation costs documented in part three of the application in excess of the estimated rehabilitation costs in part two pursuant to paragraph 48.6(8) “b” and applications for state historic tax credits received during the first ten working days of the state fiscal year shall be included in a project review sequencing system to determine the order in which they will be reviewed.

48.8(3) *Initial sequencing process.* An initial sorting process based on the status of the project application at the start of the state fiscal year will be used to associate applications with the appropriate initial sequencing category. Following initial sorting into a category, each application within the assigned category will be sequenced in accordance with rule 223—48.8(303,404A).

a. Category A projects are comprised of projects with qualified rehabilitation costs documented in part three of the application in excess of the estimated rehabilitation costs in part two pursuant to paragraph 48.6(8) “b” and which could not be otherwise reserved from available credits in the appropriate funding queue.

b. Category B projects are comprised of a state historic tax credit application submitted during any previous year’s filing window, and was included in that year’s sequencing system, and did not receive a tax credit reservation. Category B projects must be resubmitted during the present year’s filing window.

c. Category C projects are comprised of a state historic tax credit application that includes the same scope of work approved for federal rehabilitation tax credits, as documented by a signed part two of the federal tax credit application approved prior to the first business day of the state fiscal year, and applications with rehabilitation costs in excess of \$500,000 which are not eligible for the federal program. Applications eligible for this category must include one of the following:

- (1) A new part two of the application with part one of the application already on file;
- (2) New parts one and two of the application; or
- (3) New parts one, two and three of the application.

d. Category D projects are comprised of an entirely new state historic tax credit application not meeting the requirements for any other category and having been received within the specified filing window. Projects may consist of parts one and two of the application, parts two and three of the application with a part one having already been submitted, or parts one, two and three of the application.

48.8(4) *Secondary sequencing process.* Using a random number generator, SHPO staff will assign unique, random numbers to all applications that are eligible for inclusion in the review sequencing system within each category of the initial sequencing system. Applications within each category shall then be placed in numeric order from lowest to highest. SHPO staff shall then create a master review sequence list, with category A applications reviewed first, category B applications reviewed next, category C applications reviewed next, and category D applications reviewed last.

48.8(5) *Random number generator.* SHPO staff shall use a random number generator utility found in Microsoft Excel 2003 or the current version of Microsoft Excel generally used by the department of cultural affairs.

48.8(6) *Outside observer.* The initial sequencing process, the secondary sequencing process, and the development of the master review sequence list will be observed and certified by an official state witness.